

March 26, 2018

VIA ECFC and E-MAIL

Marlene H. Dortch
Federal Communications Division
Office of the Secretary
445 12th St. SW, Room TW-A325
Washington, DC 20554

Re: Update on Customer Transition from BETRS and Response to RCA

Dear Ms. Dortch:

Matanuska Telephone Association, Inc. ("MTA") would like to provide an update on the transition of its customers from its Basic Exchange Telephone Radio Service ("BETRS") to alternative services. In December 2017, MTA sought permission to discontinue its non-dominant, obsolete BETRS service. MTA exited the wireless business and sold its wireless assets that supported the failing BETRS service. MTA believed it was more responsible to give its customers a long (six months) transition period to find and install an alternative service rather than be forced to do so on an emergent basis as a customer's equipment failed.

MTA has provided informal updates to staff, but given the Regulatory Commission of Alaska's ("RCA") March 21, 2018 request for more time to investigate, MTA believes a more formal update and response is warranted.¹ MTA rejects the RCA's suggestion that there is a state element to the request to discontinue BETRS service. Neither the facts nor the law support the RCA's position.

As of today, MTA only has 38 customers still active on its BETRS system. This is a substantial reduction of customers from December 2017 when 215 customers were active on the network.² MTA has offered a \$400 cash payment to each customer who disconnects from the BETRS product to offset the cost of alternative service and equipment. MTA has also dedicated senior technical and customer service resources to assist customers to transition to alternative carriers.³ MTA's staff has spent countless hours working with every customer seeking assistance, including those who filed comments on its application. Every user of BETRS service has an alternative service available to it. The overwhelming majority of those customers can subscribe to technically superior wireless service with the help of a repeater system easily

¹ See Regulatory Commission of Alaska WC 17-363 RCA Letter, Docket 17-363 (filed March 21, 2018).

² See Matanuska Telephone Association, Inc. Application to Discontinue Service, Docket 17-363, (filed Dec. 2017).

³ See Affidavit of Clint Spencer, attached as Exhibit A.

covered by the payment provided by MTA. A handful of the most remotely located customers may have to transition to satellite service.

MTA was surprised by the RCA's letter filed this week in its FCC docket. Apart from a couple of emails from the consumer protection staff, MTA has not heard from the RCA regarding its federal filing. MTA has provided courtesy copies of its FCC filings back to its original filing in December 2017. It is odd and inappropriate for the RCA to request the FCC fail to timely act on MTA's application without any legal or practical justification. As discussed below, MTA's application is a matter of federal jurisdiction and beyond the boundaries of the state commission. Frankly, given the current litigation ongoing between MTA and the Commission, attempting to intervene in this matter months after MTA's notice is questionable at best.⁴

BETRS service is widely recognized as a rural radio service regulated by the FCC.⁵ The service is a non-dominant service provided over an old CDMA spectrum connection operated pursuant to FCC licenses and regulation. "Wireless networks may transmit to a mobile receiver, such as a wireless telephone, or to a stationary receiver, such as a fixed antenna. In addition to wireless transmitters, receivers, and repeaters, a mobile wireless network may include switches and points of interconnection to the wireline public switched telephone network."⁶ MTA's BETRS service may look like a local telephone service subject to state regulation, but it has never been considered subject to state jurisdiction. Altering the regulatory structure decades after the service began would be manifestly unfair and service as a disincentive to other carriers.

There is no requirement for an Incumbent Local Exchange Carrier ("ILEC") or an Eligible Telecommunication Carriers ("ETC") to provide BETRS service. The RCA's suggestion that it should have time to "investigate" runs afoul of the public policy to encourage carriers to extend service over unconventional means where possible. There are no state implications for MTA's Certificate of Public Convenience and Necessity. The notion that a proper federal application should be derailed by a politically-motivated letter sets a terrible precedent. MTA has gone above and beyond any federal obligation to discontinue a non-dominant service or even a dominant service. What motivation could there be for carriers to serve the best interests of their customers if those actions can be called into question and the discontinuation of a handful of customers stopped by a baseless letter by a state commission.

It's important to note that no customer has filed a complaint with the RCA since MTA notified its customers that it would be discontinuing BETRS service. Even MTA's customers do not consider this a matter of state jurisdiction. The RCA has allowed several other regulated Alaska carriers

⁴ *Matanuska Telephone Association, Inc. v. Regulatory Commission of Alaska*, Case No. 3AN-17-07893CI.

⁵ The permission and guidelines to provide the service are contained in 47 C.F.R. § 22.501, *et seq.* "The rules in this subpart govern the licensing and operation of public mobile paging and radiotelephone stations." 47 C.F.R. § 22.501.

⁶ Lands of Opportunity: Bringing Telecommunications Services to Rural Communities, FCC Educational Presentation at 7 (2006). See <https://transition.fcc.gov/indians/opportunity.pdf>.

to phase out BETRS service as equipment failed.⁷ MTA is deregulated and no such permission is required to alter its tariff.

MTA is a cooperative telecommunications company that takes its obligations very seriously. It had no choice but to exit the wireless business to preserve its core business for the cooperative as a whole. MTA had to terminate the BETRS product. It is obsolete and failing at an alarming rate. MTA could let it fail one by one or make a more responsible decision to help its customers' transition to a more stable and robust service better positioned to meet the modern needs of the Alaskans, even those in the most remote areas of the United States. MTA provided generous financial and technical support, far beyond what was required or what virtually any other telephone company would provide.

MTA respectfully requests that FCC staff evaluate the objective evidence before it and the important public policy issues at hand. MTA believes that all of the information available to the Commission supports approval of the discontinuation application filed by MTA in December.

Very truly yours,



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⁷ TA188-359, ACS of the Northland – General Rule Revision (BETRS Conditions Revisions), filed November 7, 2016; TA93-249, United Utilities – General Rule Change (BETRS), filed June 22, 2017; TA57-213, Yukon Telephone Company – General Rule Change (BETRS), filed June 22, 2017; TA36-629, United KUC – General Rule Change (BETRS), filed June 22, 2017.